



**Legislative Department
Seattle City Council
Memorandum**

Date: July 16, 2013
To: Parks and Neighborhoods Committee
From: Norm Schwab, Council Central Staff
Subject: **C.B.117836 - Smith Cove Park Addition Acquisition**

Project Summary

Council Bill 117836 authorizes the Department of Parks and Recreation (Parks) to acquire 4.6 acres of property for expansion of Smith Cove Park. This area is a portion of the Port of Seattle's (Port) West Yard that was declared surplus by the Port. C.B. 117836 authorizes increased appropriation of \$2M from the 2000 Pro Parks Levy and \$3.26M from the 2008 Parks and Green Spaces Levy for the acquisition.

To make the \$2 million available in the 2000 Pro Parks Levy for this acquisition, the Parks Levy Oversight Committee (Committee) recommends abandoning the First Hill Park Acquisition and Development Projects and reallocating funds from the First Hill Development project and the remaining uncommitted fund balance of the Acquisition Category to the Opportunity Fund. The First Hill Park Acquisition project was the last remaining acquisition project and abandoning it closes the Acquisition Category. (Note: Funding for a First Hill acquisition is included in the 2008 Parks and Green Spaces Levy.)

For the 2008 Parks and Green Spaces Levy, the Parks Levy Oversight Committee recommends reallocating \$3,261,000 from the Acquisition Category Inflation Adjustment to the Opportunity Fund for this acquisition. All except \$500,000 of the 2008 Levy funds are expected to be reimbursed by King County Conservation Futures Tax grants (\$2.5 million) and the sale of an easement to King County for a pipeline for its combined sewer overflow (CSO) facility (\$261,000).

Although the 2008 Parks Levy targeted acquisitions in areas with deficient amounts of open space (which this area is not), a number of factors favor using the funds for this project:

1. Nearly all the remaining identified acquisition projects in the Levy can be accomplished with the balance of Levy acquisition funds;
2. The opportunity for acquiring waterfront property is rare and waterfront parks are often destination parks as well as serving local needs;
3. This acquisition is the result of extensive and collaborative efforts by the Port, King County, the City, and area residents.

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Other Notable Provisions of the Acquisition Agreement

1. Environmental Contamination/Remediation

The City has reviewed environmental assessments of the site prepared by Shannon and Wilson and by Landau and Associates in 2012 for King County that address known conditions of environmental contamination. City staff are reasonably confident that the contaminants identified in these studies are manageable. Since the site will be used by King County for several years for construction staging and since it is being land-banked because park development funds are not in hand, Parks will not be disturbing the rest of the site for the foreseeable future

Given what is known about site conditions, the City agreed to share environmental risks with the Port and King County in this three-way agreement. The agreement releases the Port for claims under \$1M arising from the presence hazardous substances on the property, as identified in the Environmental Reports. The City takes on this responsibility. Any claims beyond that amount will be resolved under the Model Toxics Control Act and other pertinent environmental laws.

This arrangement for sharing risk was necessary for this acquisition/sale to work for the Port, County and City. The City's customary approach on acquisitions is to have the seller deliver a clean site or discount the sale price based on the cost of remediation. The shared approach on this transaction is based on the specific circumstances of the site, is intended uses, and the other parameters in this purchase/sale. It does not set a precedent for other future purchases by the City.

2. Potential Shoreline Erosion/Maintenance Costs

The Port has informed the City that the site is exposed to southwest winds and that repair and maintenance of shoreline erosion has been required (but not since 1997) including top-of-bank replenishment of the rip-rap bank-line. It is not unusual for shoreline properties to entail maintenance related to shoreline erosion.